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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/736,471	12/13/2000	Glenn Rothman	4058-4001US1	6273

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EXAMINER
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ZURITA, JAMES H

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 08/16/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No. 09/736,471	Applicant(s) ROTHMAN ET AL.	
	Examiner James H. Zurita	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 06 May 2005.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-60 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-3, 15- 16 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☒ Claim(s) 4-14 and 17-60 are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 13 December 2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

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## **DETAILED ACTION**

### ***Prosecution History***

On 13 December 2000, Applicant filed the instant application, claiming priority to provisional application 60/208521, filed 1 June 2000.

On 12 August 2004, the Examiner made a requirement for Election/Restriction.

On 11 February 2005, Applicant elected a first set of claims for examination, without traverse.

On 6 April 2005, the Examiner made a second requirement for Election.

On 6 May 2005, Applicant elected species I.a with traverse.

The present Office Action is a response to applicant's election of 6 May 2005.

### ***Election/Restrictions***

Applicant's election with traverse of invention I.a in the reply filed on 6 May 2005 is acknowledged.

Claims 1-60 are pending, of which claims 1-3, 15-16 are elected.

Applicant's arguments are addressed below.

### ***Response to Arguments***

Applicant's arguments have been carefully considered but are not persuasive.

On page 3, lines 27-32, applicant asserts that the inventions are not independent or distinct. The Examiner respectfully disagrees and notes that applicant nowhere

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asserts that the various embodiments are obvious variations over another, although applicant appears to agree that the inventions are not patentably distinct.

On page 4, lines 2-15, Applicant asserts that there is no additional burden or a serious burden, on the Examiner. The Examiner respectfully disagrees. For class 705, the Office requires that Examiners search without limiting searches to particular classes and subclasses. Thus, any search includes all classes and subclasses among multiple databases of US patents, PG-PUBS, foreign patents and non-patent literature.

On page 4, line 16-page 5, line 3, Applicant appears to assert that a single use of the word **online** in the preamble of claim 1 necessitates the use of computers and devices of claims 29 and 30. The Examiner respectfully disagrees, and notes that there is no technology mentioned in the various steps of the method, and that each step can be performed manually. Applicant's use of the term "...transmitting..." is insufficient, since to transmit is to send or convey from person or place to another<sup>1</sup>, as might be done with a human messenger, for example. Please see also rejection under 35 USC 101, concerning this issue.

On page 5, lines 4-16, Applicant asserts that the restriction requirement related to claims 1-27 and claim 60 are improper. The Examiner respectfully disagrees for reasons set forth in the Election/Restriction Requirement, page 3.

On page 5, line 17-page 6, line 29, Applicant asserts that the restriction requirements related to claims 29-30 are improper. The Examiner respectfully disagrees for reasons set forth in the Election/Restriction Requirement, pages 3-4.

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<sup>1</sup> Definition of **transmit** (v), MERRIAN WEBSTERS Collegiate Encyclopedia.

On page 7, lines 7-32, Applicant appears to repeat arguments noted above. These arguments are not persuasive for reasons stated above and in the Election/Restriction Requirement of 10 March 2005.

On page 6, line 30-page 7, line 6, Applicant presents no clarifying remarks to accompany his assertions concerning claims 1-27 and merely quotes from a related portion of the MPEP. Nevertheless, after further careful consideration of the various claims, the Examiner notes that claims 1, 2, 3, 15 and 16 appear to belong to a single species, and will be examined together. Nevertheless, the requirement is still deemed proper and is therefore made FINAL.

### ***Priority***

Applicant has claimed priority for the present application from provisional application 60/208521, filed 1 June 2000, which names a single inventor, Rothman. The instant application names Rothman and Arazi as co-inventors.

The Examiner requests the Applicant identify where in the prior applications the features of the present invention are first disclosed. Since the prior application also lists different inventive entity than the present application (but with at least one common inventor), the examiner requests the Applicant identify which inventor(s) contributed which features claimed in the present application that were also present in the prior application with different inventors.

The Examiner notes that several portions of the disclosure are limited to a filing date of 13 December 2000, including, for Example, Figs. 11-27 and related text, Fig. 4, items 48-49, Fig. 5, item 58.

### ***Drawings***

The drawings are objected to because Fig. 11, reference 1106 should read “get ***earliest*** known router location” to match description on pages 24, lines 2-4.

Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as “amended.” If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either “Replacement Sheet” or “New Sheet” pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action.

The objection to the drawings will not be held in abeyance.

### **35 USC 101 Rejection**

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim 1 and claims dependent thereupon are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Moreover, the courts have found that a claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer. See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). Finally, the Board of Patent Appeals and Interferences (BPAI) has recently affirmed a §101 rejection finding

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the claimed invention to be non-statutory based on a lack of technology. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble. In this case, the only allusion to technology appears in the use of the word **online** in the preamble.

However, the steps of claim 1 do not breathe life into the preamble since each of the steps can be performed without the use of technology. Use of "...transmitting..." does not cure this failure, since to transmit is to send or convey from person or place to another<sup>2</sup>, as might be done with a human messenger, for example.

Despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, the courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998). Furthermore, the court found that

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<sup>2</sup> Definition of **transmit** (v), MERRIAN WEBSTERS Collegiate Encyclopedia.



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there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Thus, in order for a claimed invention to be statutory, the claimed invention must produce a useful, concrete and tangible result

*["Usefulness" may be evidenced by, but not limited to, a specific utility of the claimed invention. "Concreteness" may be evidenced by, but not limited to, repeatability and/or implementation without undue experimentation. "Tangibility" may be evidenced by, but not limited to, a real or actual effect.]*

As noted above, use of the term **online** is insufficient to overcome rejection under 35 USC 101.

### ***Claim Objections***

The following claims contain informalities:

Claim 1 refers to retailers, which appear to be synonymous with distributors, as per page 7, line 22-page 8, line 8.

Claim 2 reads "...a product may correspond to a purchase of a diamond." The claim will be interpreted as "...a product may be diamond"

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 102***

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical

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Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000.

Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claim 1 is rejected under 35 U.S.C. 102(e) as being anticipated by Yamada (US 6,336,100).

***As per claim 1***, Yamada discloses methods for selling product(s) online:

- (a) registering a plurality of retailers. See references to forming contracts with retailers, as in Col. 2, lines 25-38.
- (b) receiving a product order from a user. See, for example, Col. 2, line 66-Col. 3, line 5.
- (c) determining a geographic location of the user. See, for example, at least Figs. 5, 6 and related text.
- (d) transmitting the product order to one of the plurality of retailers, based on the geographic location of the user. See, for example, Col. 3, lines 12-18.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Yamada (US 6,336,100) in view of Borgato (US 5950178).

**As per claim 2**, Yamada **does not** disclose that a product may correspond to a purchase of a diamond. Borgato discloses an online system for matching sellers and buyers of diamonds over network(s) such as the Internet. See, for example, at least Col. 2, lines 1-65.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Yamada and Borgato to disclose that a product may correspond to purchase of a diamond. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Yamada and Borgato to disclose that a product may correspond to purchase of a diamond for the obvious reason of facilitating the sale of diamonds by a retailer in geographically convenient for a customer.

**Claims 3, 15-16** are rejected under 35 U.S.C. 103(a) as being unpatentable over Yamada (US 6,336,100) in view of Ross, Jr. et al. (US 6629135).

**As per claim 3**, Yamada does not specifically disclose that registering is performed online. Ross discloses online registration of merchants. See, for example, at least Fig. 6, lines 8-30.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Yamada and Ross to disclose that registering may be performed online. One of ordinary skill in the art at the time the invention was made would have been motivated to combine Yamada and Ross to disclose that registering

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may be performed online for the obvious reason that such registration may provide merchants access to their information such as marketing literature and materials and modify them as necessary.

***As per claim 15***, Yamada discloses that determining comprises: receiving a description of the user's geographic location from the user. See, for example, at least Col. 4, lines 50-59.

***As per claim 16***, Yamada discloses that description may comprises at least one of: a zip code corresponding to the user, a city corresponding to the user and a telephone area code corresponding to the user. See, for example, references to New York, and Manhattan, as in Col. 4, lines 27-40.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H. Zurita whose telephone number is 571-272-6766. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 571-272-7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

**James Zurita**  
**Patent Examiner**  
**Art Unit 3625**  
12 August 2005

*James Zurita*  
*Patent Examiner*  
*Art 3625*  
*8/12/05*